

E-MAIL TO MR. HECTOR COLON REGARDING FUNDING CAPS AND IMMINENT CLOSURE OF CRITICALLY-NEEDED LICENSED RESIDENTIAL TREATMENT FACILITIES FOR SUBSTANCE ABUSE DISORDERS

From: Patricia M. Faulhaber, RN, MSN [<mailto:patty@gbswi.com>]
Sent: Wednesday, March 15, 2017 11:03 PM
To: Colon@gbswi.com; Colon, Hector <Hector.Colon@milwaukeecountywi.gov>
Cc: Rep.Sanfelippo <Rep.Sanfelippo@legis.wisconsin.gov>; Taylor, Steve <Steve.Taylor@milwaukeecountywi.gov>; Brad Birchbauer <brad1818@gmail.com>; Bruce@gbswi.com; CPA <bredlin@bredlin.com>; Jeff Lisota <jlisota@robertsonryan.com>; Lisa@gbswi.com; Esq. <lwood@dkattorneys.com>; Neville@gbswi.com; M.D. <nevilleeduncan@live.com>; Lappen, Michael <Michael.Lappen@milwaukeecountywi.gov>
Subject: Imminent Closure of Critical CBRFs

Dear Mr. Colon:

This is Patricia M. Faulhaber, RN, MSN. I am the Executive Director of Genesis Behavioral Services, Inc. - www.gbswi.com. We are a provider of services for mental health and substance abuse disorders in CBRFs. The CBRFs we operate are identified in the following table:

GENESIS BEHAVIORAL SERVICES, INC. CBRFs	# Beds	Payer
Chatham House, Racine - Females	12	DOC
Genesis of Oshkosh - Males	14	DOC
Crossroads of Racine - Female	9	DOC
Spring Place, Racine - Male	12	DOC
Options - Kenosha - Male	20	DOC
Men's Residential, Milwaukee - Male	40	Milw County
Jeannetta Robinson House, Milwaukee, Female	24	Milw County
Total	131	

As you are aware, reflecting a national trend, Milwaukee County is plagued with a horrific drug abuse problem that has now become an epidemic. People are literally dying in their homes and in the streets. According to COPE, during the 9-month period February to September 2016, 191 individuals died in Milwaukee County directly as a result of Opioid abuse. I will spare you any further description of the dangerous phenomenon of substance abuse because I know that you are well aware of it.

The Genesis CBRFs are a critical resource in the fight against the scourge of drug abuse. Over the years, we have treated thousands of individuals. We provide psychiatric services (including counseling, anger management and behavior modification), medication therapy, an array of other healthcare services through a referral network, and job skills training. We help save lives, and we work with a passion with our clients as they struggle to recover and become productive members of society. We are especially proud of Jeannetta Robinson House (JRH), which - as you may have read in the newspapers recently - was completely remodeled as a beautiful facility with state-of-the-art clinical programs and services. The grand opening for JRH - attended by important elected officials and stakeholders in the community - took place on December 9, 2016. Recently, we had the federal judges tour JRH and they gave it very positive reviews. The Genesis investment in

the JRH remodeling was approximately \$250,000. In addition, we have active plans to develop two new CBRFs - in Milwaukee on West Fond du Lac Avenue and in Cudahy on South Lake Shore Drive - for Milwaukee County and other government clients. We anticipate our investment in these two CBRFs to be close to \$4 million.

Genesis is also a major employer. We employ approximately 100 individuals, most of whom are ethnic minorities and residents of the Central City.

My purpose in writing you is this: We were notified last week by the Behavioral Health Division, through Ms. Janet Fleege, head of the CARS program, that a cap is being imposed on our two CBRFs that serve Milwaukee County clients. The cap that has been imposed is 6 clients (total capacity is 24) for Jeannetta Robinson House (JRH) and 12 clients (total capacity is 40) for Men's Residential. Today, our Clinical Director (Jody Coren), HR Director (Kalli McCann) and I met with Ms. Fleege and her supervisor, Ms. Amy Lorenz, on an urgent basis. Our purpose in meeting with them was to dissuade them from implementing the foregoing caps. However, we were notified that this was a fiscal decision that the two of them could not change. Hence this e-mail to you.

Given the ***dire need*** for services, I respectfully submit that the caps are not wise from either a policy or a political perspective. We currently have 20 drug addicts who have been evaluated by CARS Access Point staff and approved for residential placement at JRH. These consumers are in need of services on an almost-emergency basis. Last month, one of the clients on the wait list went to jail, and another one ended up in the ICU; a third one almost died from an overdose. Two consumers who were all ready to be admitted based on prior approval off the wait list, were now denied admission because of the cap - yet we have empty beds. Given the pathology associated with substance abuse disorders, we know that people needing services who are not able to access the services, will (a) continue using, (b) often get incarcerated, and (c) are at significant risk of dying from an overdose.

The wait list for the Men's Residential Program is currently 17, and again, the story is the same. We have male consumers in dire need of services, but who are being denied services due to the BHD-imposed caps; and we have empty beds.

Mr. Colon, if the BHD caps are not lifted, the consequences will be:

1. We will ***definitely*** have to shut down JRH and Men's Residential, and lay off approximately 30 employees; and Milwaukee County will lose access to two critically-needed CBRFs for its clients. A CBRF with only six clients (JRH) or even 12 clients (Men's Residential) ***is simply not financially viable at a daily rate of \$108.***
2. Given that JRH and Men's Residential represent approximately 30% of the Company business overall, we may have also have to shut down the entire company; thereby laying off another 70 employees; and the area losing five additional CBRFs (currently used by the DOC).
3. Word is already out among our employees that they face the potential of immediate layoff, based on the already reduced census (as of today, 16 at JRH and 33 at Men's Residential, and trending down.)

My purpose in this e-mail is to urge you, as Director of DHHS, to intervene and lift the foregoing caps. We very much appreciate our relationship with the County, but - unfortunately - unless we have a sufficient volume of business, we simply cannot survive. In the meantime, our attorney Lisa Wood, Esq. (Davies & Kuelthau) has advised us that our company should not participate in any attempt by BHD to deny clients services since denial of services could be (a) construed as patient abandonment under federal law,

(b) could be a violation of federal judicial orders to Milwaukee County to provide needed psychiatric services, and (c) could be a violation of the duty to provide these clients services under Chapter 51.42 of Wisconsin Statutes. Atty. Wood intends to speak with Corp Counsel on these matters tomorrow. (By the way, Ms. Wood is also a Board Member of Genesis.)

I have taken the liberty to copy Rep. Joe Sanfelippo in this e-mail, since our corporate office is located in his district; and Sup. Steve Taylor, since he represents the district in which we hope to locate a new CBRF and which we have discussed with him.

cc: Genesis Behavioral Services, Inc. Board Members

P.S. Earlier this evening, I received a telephone call from Antoneo DeShazor, Executive Director of Matt Talbot Recovery Services, Inc. Antoneo shared with me the story of a 28-year old Caucasian male client, father of two, who is a chronic drug abuser, heavily into Opioid abuse. The client was homeless much of 2016. After outreach by Matt Talbot, the client agreed to come in for treatment; and he was cleared by County staff for admission to Matt Talbot on North Avenue. However, that facility is full; and, per the BHD directive, the client could not be admitted to the Genesis Men's Residential on 50th Street because of the cap. The logic of this decision escapes me entirely.

Patricia M. Faulhaber, RN, MSN
Executive Director
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RESPONSE BY MR. MICHAEL LAPPEN IN BEHALF OF MR. COLON

From: Lappen, Michael [mailto:Michael.Lappen@milwaukeecountywi.gov]
Sent: Thursday, March 16, 2017 3:32 PM
To: Patricia M. Faulhaber, RN, MSN <patty@gbswi.com>; Colon@gbswi.com; Colon, Hector <Hector.Colon@milwaukeecountywi.gov>; Lorenz, Amy <Amy.Lorenz@milwaukeecountywi.gov>; Fleege, Janet <Janet.Fleege@milwaukeecountywi.gov>
Cc: Rep.Sanfelippo <Rep.Sanfelippo@legis.wisconsin.gov>; Taylor, Steve <Steve.Taylor@milwaukeecountywi.gov>; Brad Birchbauer <brad1818@gmail.com>; Bruce@gbswi.com; CPA <bredlin@bredlin.com>; Jeff Lisota <jlisota@robertsonryan.com>; Lisa@gbswi.com; Esq. <lwood@dkattorneys.com>; Neville@gbswi.com; M.D. <nevilleduncan@live.com>; Foley, Colleen <Colleen.Foley@milwaukeecountywi.gov>
Subject: RE: Imminent Closure of Critical CBRFs

Ms. Faulhaber,

Neither Amy Lorenz or Janet Fleege are available for me to consult with today, but I was able to briefly speak with Amy by phone.

All of us at BHD are aware of and very concerned about the opioid epidemic. We expanded residential AODA capacity 17% in our 2017 budget, and have recently increased our rates for all residential AODA

providers 20% as providers indicated they had not seen an increase in many years, and needed higher rates to survive. The “caps” that you refer to in your message are not something new. The limits are based on the number of beds we were able to budget for in the 2017 BHD budget (again, a 17% increase in budgeted capacity from 2016). We were also able to fund additional residential AODA placements in 2016—moving up the implementation of the increased capacity--by using surplus from 2016 to serve more individuals from the wait list. These additional referrals above the budgeted number continued into 2017, but at this point, with the uncertainty of our funding from the State that we use for residential AODA (TANF), we are unable to sustain the increased number of AODA residential referrals.

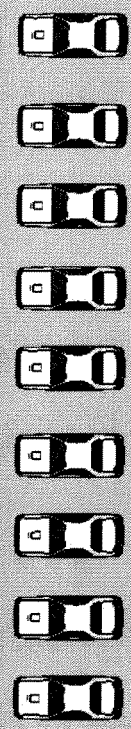
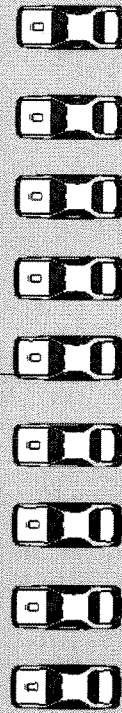
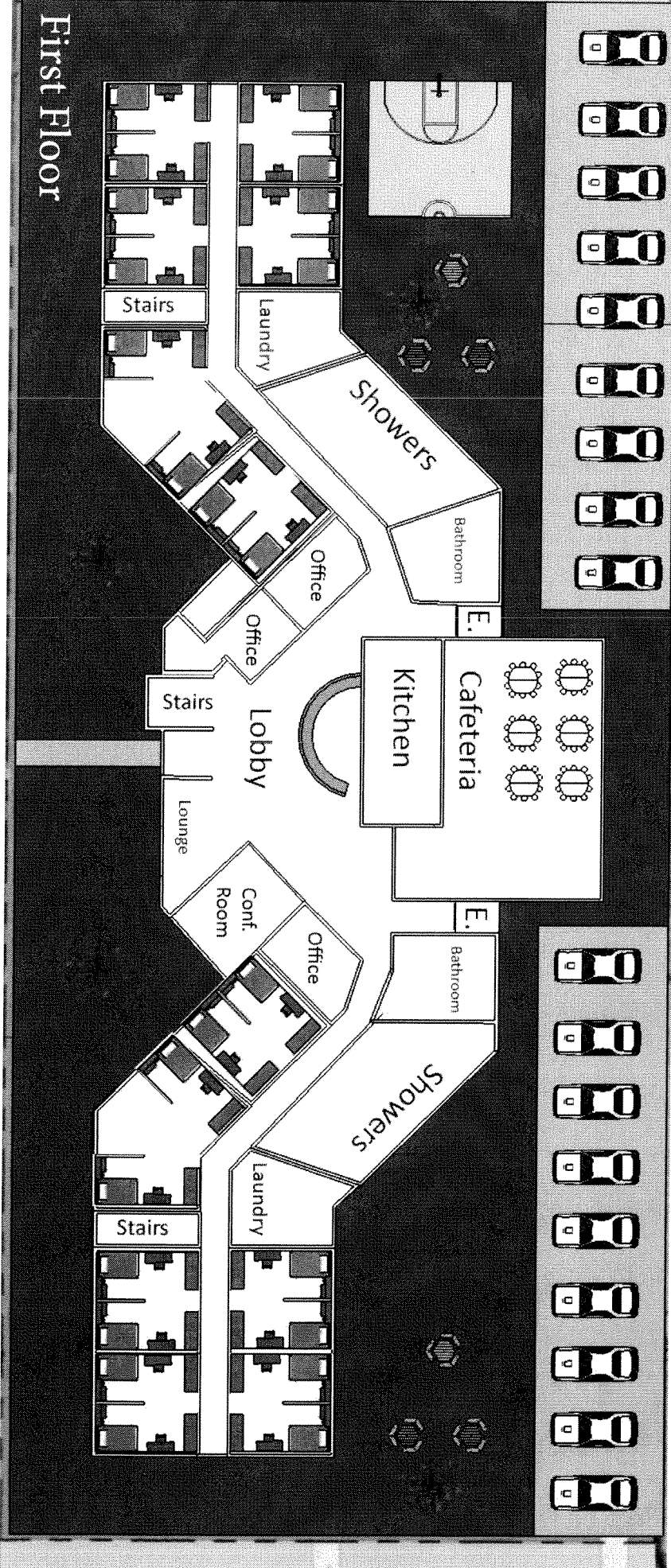
My team is working diligently to secure additional funding through a number of grant opportunities. As we begin the 2018 budget process, we have made expanding and improving all BHD funded AODA services a top priority. We have also been told that we will soon know what our TANF award will be going forward—at this point we are spending at the same pace as allowed by the previous award but we expect a significant decrease now that Dane County is TANF eligible. In the event that additional funding is available, it will certainly lead to more referrals to your agency, and to the other AODA residential providers in our BHD network. We are also optimistic that the new federal funds targeting opioid treatment will help us to expand services and address the wait list. It is my understanding that the State has submitted its application, and that the funds are to be deployed as soon as possible to serve individuals currently waiting for AODA services. Our infrastructure and available local capacity should make us a great candidate for that funding.

I believe your assertions related to 51.42 , judicial orders, etc. are incorrect regarding BHD obligations to fund residential AODA. I defer to Colleen Foley from our Corporation Counsel’s office on that issue, and have included her in my response.

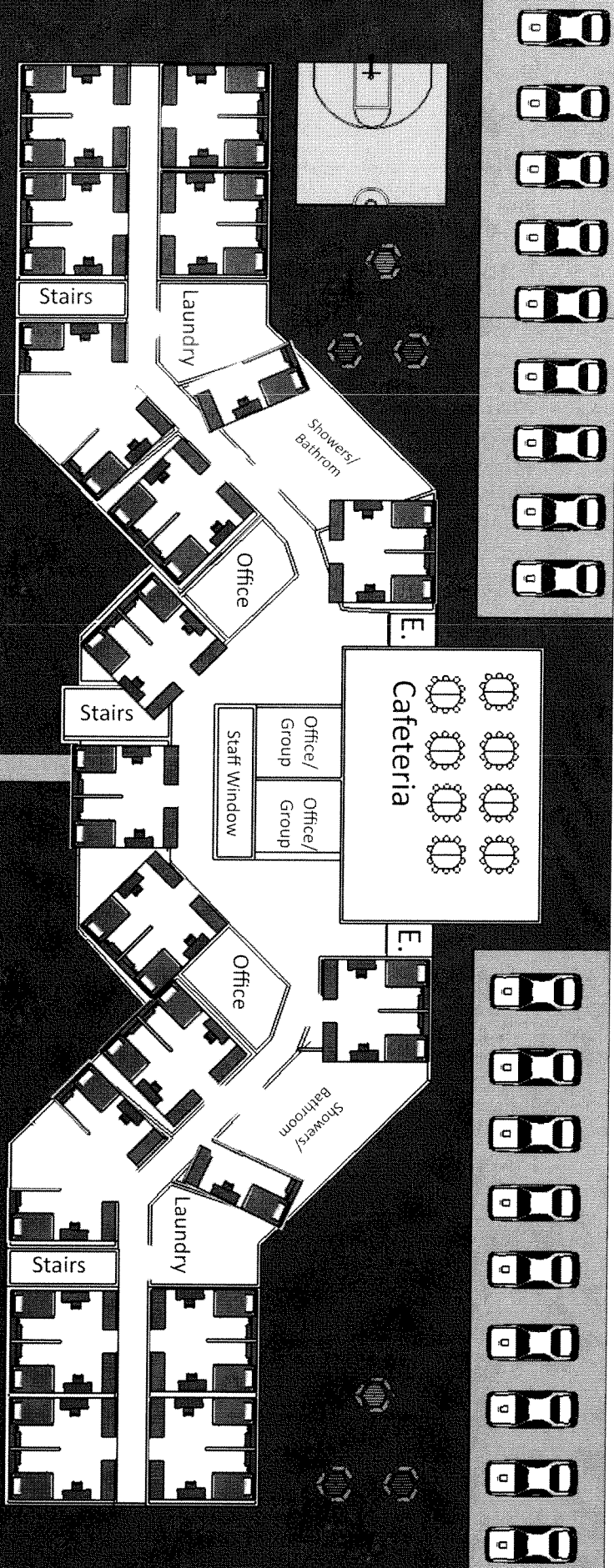
Best,

Mike Lappen

First Floor



Second Floor



Third Floor

